

When Should You Raise Dues?

Whenever I teach a course on membership dues these question always arise, “How often should we raise dues?” or ‘How much should we increase our dues?’ Now that the economy seems to be slowly recovering, many associations who maintained their dues levels during the recession are wondering if it’s time to raise them. We’ll show you the most recent information available on dues increase trends and then share with you some considerations to explore before making your final decision.

Well, according to the 650 associations that responded to the 2011 survey conducted by Marketing General Inc., an association consulting firm, most of them raised their dues “as needed” and do not have a regular dues increase schedule. About 110 of them cited they raise dues each year.

The number one cited reason for dues increases was “keeping up with inflation,” followed by ‘increasing advocacy” and “addition of new programs and services.” I’m sure those associations that only raised dues as needed had to increase them because they didn’t do so each year and finally had to catch up with inflation!

According to the chart on the right, most associations raised dues between 1 - 10%. Associations that raised their dues more than 20% also indicated they had not done an increase since 2008. And associations that raise dues by up to 10% are significantly more likely to raise dues annually.

Just over 30% of these associations did or were planning to increase their dues in 2011, so more associations made the move last year than in previous years.

What Impact Does Dues Increases Have on Renewal Rates?

Are you wondering what impact dues increases have on retention rates? I did, too, and looked for the answer to the question in this Membership Marketing Benchmarking Report! The chart below indicates that a dues increase under 20% does not create a large drop in overall renewal rates, but going over that amount of increase can severely erode your retention rate! *(Associations who reported an increase in membership growth had higher retention rates than those who cited that overall membership had declined.)*

Renewal Rates by Percentage of Last Dues Increase							
	N	Under 50%	50% to 59%	60% to 69%	70% to 79%	80% to 89%	90% or higher
1% to 10%	423	2%	6%	9%	23%	34%	25%
11% to 20%	112	2%	5%	10%	29%	34%	20%
21% or more	59	9%	5%	15%	20%	36%	12%

Associations whose last dues increase was between 1% and 10% are also significantly more likely to show renewal rates at 90% or

higher, compared to associations whose dues increase was more than 10%.

How often does your association raise membership dues?

How Often Are Dues Raised	Percent of Respondents
Annually	17.1%
Every Other Year	4.3%
As Needed	57.9%
Never	8.9%
Other	11.8%

What was the average percentage of your last dues increase?

Percentage Increase	Percent of Respondents
1 to 10%	71.2%
11 to 20%	18.9%
21 to 30%	6.1%
31 to 40%	1.5%
Over 40%	2.3%

When was the last time your association raised member dues?

Year of Last Dues Increase	Percent of Respondents
2011 (Did or Will)	30.1%
2010	15.2%
2009	15.0%
2008	8.8%
2007	7.4%
2006	7.8%
Previous	15.7%

Considerations Before Moving Ahead with a Dues Increase

If your retention rates have held pretty steady over the last couple of years, you could initiate a modest dues increase without much repercussion. Whether you have been blessed with this outcome or just feel that some forethought needs to take place before raising your dues, I would recommend that you consider these strategies before moving forward:

- **Deliver value before asking more**—You can't just tell members "Our costs are rising and we need to raise our dues." The number one reason why members don't renew is "Lack of value." Truthfully, even if they say it's due to financial reasons or they're too busy to participate, they really are telling you that the value isn't worth the price. So, spend some time discovering the perceived value members have about who are, what you offer, and your strategic direction. Remember, that value is worth more than price and that value is in the eyes of the members.
- **Have loyal members tout the value of membership**—As much as we try to communicate the value of membership, sometimes we don't do a very good job. It's not that we don't deliver value; we just tend to talk a lot about features (e.g., BAH, advocacy) and not touting outcomes that really make a difference to our members. Interview members who really "get it" and have them talk about specific outcomes they have realized because of their membership with you. Use their words verbatim and believe that our members can say it better than we can, in a language that is readily understood!
- **Prepare special offers and incentives**—If you think your dues increase might be too steep for some members, consider making contingency offers available. Allow members to pay their dues in monthly quarterly or semi-annual installments. Offer a slight discount on multiple-year memberships. Provide an incentive for members to pay their renewals early and receive a small early-bird discount.

Additional Resources to Help You Stay Relevant

Our webinars are great resources for professional development or to supplement your staff and Board retreats. Although we have live webinars planned monthly, our recordings are available on our website:

- [Kill the Sacred Zombie Cows](#) – This webinar offers an objective process and tools to evaluate your programs and services. The worksheets and proposed criteria can help you identify which benefits to keep and disinvest from on an annual basis. The recording is available on our site.
- [OH NO, Not Another Event](#) – After analyzing the results from the Non-Dues Revenue Trends Survey conducted in April, we developed this webinar to highlight key themes and explore new and innovative ways to generate non-event dues revenue that deliver value to members. Frank J. Kenny and Glenn Shephard were co-presenters on the webinar and the recording is available on our site.
- [The Fight for Relevance](#) – This webinar scheduled for 6/20/12 explores insights from the *Race for Relevance* book and discusses specific strategies to employ to that will ensure you win this race.
- [Next Generation Dues Trends](#) – This webinar is scheduled for 7/18/12 and explores the emerging dues models from the book *The End of Membership As We Know It*. You'll discover how associations are adapting their models to be more inclusive and taking advantage of technology, the global market and generational interests to offer memberships in a whole new way. Interestingly, you will see why the 'fair share' model based on employee count is on its way out!

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Cathi Hight is president of Hight Performance Group and has over 20 years experience in performance improvement. She helps organizations build sustainable futures, improve processes, increase productivity, and develop staff & member loyalty. Hight Performance Group is the developer of the **Member Retention Kit**. A master facilitator, trainer and consultant, Cathi offers strategic planning, leadership and staff development, and a toolkit of publications, webinars and assessments. To learn how we can support your fight for relevance contact Cathi at (720) 304-0747 or e-mail: cathi@hightperformance.com

